

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 THE HAGUE 000195

SIPDIS

SENSITIVE

STATE FOR AC/CB, NP/CBM, VC/CCB, L/ACV, IO/S
SECDEF FOR OSD/ISP
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (GOLDMAN)
NSC FOR CHUPA
WINPAC FOR LIEPMAN

E.O. 12958: N/A

TAGS: [PARM](#) [PREL](#) [CWC](#)

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR
WEEK ENDING JANUARY 23,

This is CWC-10-04.

Geneva Group

11. (U) The one agenda item for the January 22 meeting of the Geneva Group was Article IV/V financing, and the proposal from the ABAF for expansion of the Working Capital Fund. At the time, the U.S. Del did not have guidance on the proposed expansion of the Working Capital Fund. We have since deployed the guidance (State 17041), to the overwhelming support of other delegations.

12. (U) At the Geneva Group meeting, Chiho Komuro (Japan) said that Tokyo is very interested in the proposal. Mark Matthews (U.K.) said that London supports the idea, and finds it particularly attractive as it envisions drawing the funds for the expanded WCF from existing surpluses. Ruth Flint emphasized that it would be important to pitch this proposal the right way to the other regional groups to be sure they do not view this as a bonus for possessor states. She suggested that the more effective message is that the WCF change would ensure proper levels of financial support to ensure sufficient resources for ICA and other programs supported by the NAM.

13. (SBU) The other topics of discussion were raised by the U.S. The first was whether the Geneva Group would want to assess possible steps that would lead to more effective operations by the Office of Internal Oversight (OIO). We noted that the OPCW does not have an independent Inspector General, and for that reason it is particularly important to ensure that the OIO has the ability to operate freely. One suggestion that had been bandied about was to have the OIO report directly to the Executive Council. But the point made by the U.S. was that it might be worthwhile for the Geneva Group to consider possible changes to the operations of the OIO which could make it a more effective oversight body.

14. (SBU) Amb. Marc Vogelaar (Netherlands) said that changing the regulations and organizational chart to have the OIO report to the EC may simply be too bureaucratically difficult. However, there are other steps that could be taken to improve oversight, such as expanding the mandate of the External Auditor. Peter Beerwerth (FRG) suggested that the OIO might be directed to take more action in direct response to the EC. He also noted the shortcomings of the external audits, and that it would indeed be worthwhile to see that these are "value for money" audits. Sophie Moal-Makame (France) also expressed doubts about whether far-reaching changes concerning the OIO were feasible. Mark Matthews (U.K.) voiced support for improving the External Auditor in the short term.

15. (SBU) The other issue raised by the U.S. was how the Geneva Group should tackle budget and finance questions remaining from last year, particularly on some particularly costly issues such as financing of home leave. Peter Beerwerth said that home leave financing and other issues such as insurance had been put to the TS while Beerwerth was running the budget facilitation. If the Geneva Group thought it worthwhile to pursue these outstanding issues, it would be most appropriate to give it to the next budget facilitator.

16. (SBU) Vogelaar noted that while he understood the substantial savings that were possible in connection with home leave financing, the national delegations should keep two points in mind. First, there is an open legal issue of whether these constituted acquired rights. Second, and more important, delegates should bear in mind the impact on already poor staff morale of substantially pruning an arrangement that is clearly beneficial to the staff. Matthews echoed the point about the abysmally low staff morale. However, he recommended that if this issue is revisited, it would be best to simply approach the Technical

Secretariat for a progress report on where things stand on

SIPDIS

the entire range of issues raised during last year's budget facilitation.

Amendments to Financial Regulations

17. (U) The January 20 consultations provided one key answer sought by Washington, but little else. The U.S. expressed its support for the changes to regulation 12.1 and 12.3 which would add the monitoring mandate to the Office of Internal Oversight. The one question from Washington was whether there would be any cost implications for such a change. OIO Director Louati informed the delegates that the new P-4 position authorized last year would also handle any monitoring tasks. In response to a question from the U.S. Del, Louati flatly stated that no additional resources or personnel would be required if the proposed amendments were adopted.

18. (U) That, however, was not the thrust of the discussion, and the result was no consensus on the proposed amendments. Much of the commentary focused on whether there is a definition of "monitoring." Louati asserted that there is a UN definition, but that did not seem to satisfy delegates. Ruth Flint (Switzerland) asked whether there would be a connection between the issue of OIO monitoring and the introduction of results based budgeting, but the discussion was inconclusive.

19. (U) With regard to the proposed change to regulation 12.7 which would distinguish "core" and "non-core" functions, there was opposition from Louati and substantial skepticism among delegates about the ability to separate core from non-core activities. At the end of the discussion, facilitator Peter van Brakel (Canada) suggested that the best course of action would be clearly defining monitoring in Regulation 12.1 and dropping the addition of Regulation 12.7, and delegates merely agreed to consider the suggestion.

110. (U) The consultations ended before discussion of Regulation 12.4. U.S. Del met with van Brakel separately to inform him that the U.S. did not object to listing the reports now being provided to the External Auditor, but did not want to limit the types of reports available to the auditor. For that reason, the U.S. suggested that reports on personnel and financial matters would be provided to the External Auditor "routinely" and other reports, as appropriate, "upon request." Van Brakel appreciated the U.S. point, and was generally supportive of the suggested change. However, he noted that the language in the proposed amendment does not specifically cite "reports," so the U.S. proposal could be viewed as somewhat more restrictive. Van Brakel asked whether that was the intention of the U.S. If not, he suggested the U.S. consider whether more all-encompassing language might be more suitable.

111. (U) Javits sends.
RUSSEL